

CLAIMS

WHAT IS CLAIMED IS:

1. A method for predicting and scoring an unemployment probability for an employee, comprising the steps of:

collecting personal data related to said employee;

collecting national employment and unemployment data; and

calculating an unemployment risk score for said employee based upon the collected personal data and collected national employment and unemployment data.

2. The method of Claim 1, wherein said employee personal data is selected from the group consisting of education, age, gender, job industry, job type, job tenure, salary, employment and unemployment history, geographical location, unemployment insurance claims and benefits history, income characteristics, and credit characteristics.

3. The method of Claim 1, wherein said national employment and unemployment data is selected from the group consisting of historical national employment and unemployment figures, involuntary unemployment figures, government unemployment insurance claims, government unemployment insurance claim acceptance rates, government unemployment insurance benefit payment rates and amounts, duration of government unemployment insurance claims,

federal and state unemployment insurance fund data, and government insurance program policies and guidelines.

4. The method of Claim 1, wherein the step of computing an unemployment risk score further comprises the steps of:

segmenting a national workforce population into risk categories, each risk category comprising a plurality of individual risk subcategories; and

assigning a risk factor weight relative to a forecasted national employment rate for each of said plurality of risk subcategories within each risk category.

5. The method of Claim 4, wherein said unemployment risk categories are selected from the group consisting of education, industry, age, gender, occupation, state, region, income, work experience, training level, work performance, job change frequency, industry change frequency, historical unemployment data, unemployment severity, job necessity, debt-to-income ratio, expenses-to-income ratio, and job confidence.

6. The method of Claim 4, further comprising the step of:

computing an employment security score from said unemployment risk score.

7. The method of Claim 4, further comprising the step of:

computing a short term and a long term employment value based on a mechanism selected from the group consisting of unemployment risk scores, unemployment rates, current income, expected income growth, expected duration of employment, expected education level, expected job changes, current and future cost of living projections, job change history, and income history.

8. The method of Claim 4, wherein said forecasted national unemployment rates are generated based on a mechanism selected from the group consisting of consumer price index, producer price index, interest rates, trade balance, housing starts, industrial production, currency exchange rates, retail sales, personal income and credit, consumer expenditure, industry capacity utilization, government spending, capital spending, consumer confidence and other economic data.

9. The method of Claim 4, further comprising the step of:

offering a plurality of different unemployment insurance options to said employee based on said calculated unemployment risk score and said assigned risk factor weights.

10. The method of Claim 4, further comprising the step of:

calculating a monthly premium for each of said plurality of offered unemployment insurance options based on said calculated unemployment risk score and said assigned risk factor weights.

11. A method of establishing a risk-based private unemployment insurance for employees, comprising the steps of:

predicting unemployment rates and computing unemployment risk scores for each of a plurality of homogeneous risk segments;

determining a range of insurance benefits levels available for each of the plurality of risk segments;

calculating a base risk-based premium price for each benefit level of each homogeneous risk class; and

offering a plurality of unemployment insurance policy options to an employee based upon the risk class to which the employee belongs.

12. The method of Claim 11, wherein said determination of benefits is calculated based upon a mechanism selected from the group consisting of historical unemployment rates, forecasted unemployment rates, unemployment risk factors and unemployment risk scores.

13. The method of Claim 11, wherein the plurality of benefits include an employee selection of benefits options selected from the group consisting of compensation amount, compensation payment duration, beginning of compensation payment periods, ending of compensation payment periods, and policy premium amount.

14. The method of Claim 11, wherein said unemployment insurance is offered as primary coverage to employees with no existing insurance coverage.

15. The method of Claim 11, wherein said unemployment insurance is offered as supplemental coverage to employees with existing insurance coverage.

16. The method of Claim 11, wherein said insurance policy premium price is paid by the employee and where no contribution is required either from employers or government.

17. The method of Claim 11, wherein said premium price is adjusted based on data selected from the group consisting of insurance provider's historical policies data, number of policies offered and written, policy acceptance rates, policy duration, policy prices, policy costs, number of claims made and accepted, duration and amount of claims, payout ratio data, loss amount and rates, and fraud amount and rates for each defined category of employees.

18. The method of Claim 11, further comprising the step of:

issuing eligibility guidelines; and

requiring proof that the employee meets the eligibility guidelines and satisfactory proof of involuntary employment.

19. The method of Claim 18, wherein the premium price is reduced for a renewal policy.

20. The method of Claim 18, wherein satisfactory proof of employee's involuntary employment is based on a mechanism selected from the group consisting of employee's termination or involuntary unemployment documents from employee's employer, employee's eligibility for government unemployment insurance, and government unemployment benefits payment records.

21. The method of Claim 11, further comprising the step of:

adjusting the premium price based on credits and discounts awarded to the employee if the employee demonstrates good employment and premium payment record for a given period of time.

22. The method of Claim 11, wherein said base premium price is calculated based on a mechanism selected from the group consisting of adverse selection risk, prospects, moral hazard risk, business risks, profit margin, promotion pricing, strategic significance, and business costs.

23. The method of Claim 22, further comprising the step of:

determining involuntary unemployment rates and associated insurance risk, adverse selection risk, moral hazard risk, unemployment insurance coverage terms, applicable benefit levels, premiums, and insurance offer

acceptance criteria for defined employee categories and risk classes based on a computer-based mechanism selected from the group consisting of mathematical techniques, formulae, algorithms, forecasting and analysis tools, statistical models, software applications and models that drive a risk-based insurance pricing method.

24. The method of Claim 11, wherein the amount of said benefits is adjusted based on a mechanism selected from the group consisting of employee's satisfactory premium payments, policy record, policy validity, deductible payment, and completion of a defined base period, or a waiting period, which is a predetermined duration after the employee is accepted and enrolled into the unemployment insurance program.

25. The method of Claim 11, further comprising the step of:

establishing a computer-based method for administering unemployment risk score, employment security score, short term and long term employment value, employee application for unemployment insurance, risk-based pricing determination, risk classes determination process, approval process, unemployment risk determination process, coverage and premium determination process, claim processing and validation, benefits administration process, periodic review of unemployment status and benefits duration determination process, coverage expiry determination process, policy renewal process, discount and credit evaluation and renewal application process, records storage process, records update process, algorithm update process, historical and forecast trends update process, risk score

adjustments process, risk categories update process, benefits and terms and conditions update process, and organizational structuring process.

26. The method of Claim 11, further comprising the step of:

establishing a computer-based method selected from the group consisting of sophisticated algorithms, computer software, computing systems, mathematical models, advanced programs, electronic databases, analytical tools and experts in economics, accounting, actuarial processes, statistics, modeling, programming, systems, integration, insurance, legal affairs, government regulations, marketing and sales, administration, and management to be used to model, analyze, develop, define, administer and manage the risk-based insurance.

27. A method of providing unemployment risk mitigation solutions, income loss protection solutions, and employment opportunity maximization solutions comprising the steps of:

scoring unemployment risk, employment security, and short term and long term employment value, and calculating unemployment risk scores, employment security scores, and employment value scores for employees based on employee employee's personal data, macroeconomic and national unemployment data;

establishing a risk-based unemployment insurance pricing and premium calculation based on a mechanism selected from the group consisting of a plurality of



computer based scoring models and programs, mathematical models, statistical techniques, neural networks, financial and actuarial methods, algorithms, historical and forecasted employment data, unemployment data, industry data, macroeconomic data, databases, computer systems, computer networks, data libraries, data exchange software, score generation models, and forecasting techniques leading to the development of a private unemployment insurance program;

determining a multitude of insurance policy types for different applicant risk classes and unemployment risk scores, giving the potential insurance purchaser a choice in terms of policy benefits for varying levels of premium amounts;

making private unemployment insurance available to employees in the form of either a primary or a supplementary unemployment insurance, or both, to those employees who may or may not be covered by government unemployment insurance program;

determining unemployment policy premiums and benefits based on a mechanism selected from the group consisting of employee personal data, employment history, employer data, credit data and national employment data;

computing unemployment policy premiums and benefits based on a mechanism selected from the group consisting of employees' current and past unemployment rates, government unemployment insurance claims, claim acceptance rates, government insurance benefits payments rates and amounts, duration of new government unemployment

insurance claims and continued claims, employers contribution to payroll taxes, federal and state unemployment insurance fund data, fraud data pertaining to government unemployment insurance program, and government insurance program's policies and guidelines;

structuring unemployment policy premium, terms and conditions based on a mechanism selected from the group consisting of data related to employer's historical employment rate, weekly and yearly wages, applicable Standard Industry Classification (SIC) codes, other industry classifications, unemployment rates, payroll taxes, future changes in recruitment, future layoffs, company outlook, industry outlook;

managing, administering and coordinating the insurance program such that employees would be able to choose from a variety of unemployment insurance programs with various levels of benefits, payment durations and duration types, that meets their needs, in addition to, or lack of, federal-state unemployment insurance; and

providing unemployment insurance based on a mechanism selected from the group consisting of strategic funding, hedging, investing, reinsuring, cross-selling, bundling of employment related services and other products and services; adoption of a diverse range of marketing techniques, marketing and co-marketing arrangements, premium collection methods, agency agreements; and distribution and licensing agreements related to the insurance policy.

28. The method of Claim 27, wherein said premium is reduced for a renewal policy.